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C O N F I D E N T I A L SECTION 01 OF 02 RIGA 000308

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SUBJECT: LATVIA'S JUNE 6 ELECTIONS HARD TO PREDICT - APATHY

HIGH

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Classified By: Charge d'affaires a.i. Bruce Rogers. Reason: 1.4(d)

- 11. (C/NF) Summary: It is nearly impossible to predict the outcome of Latvia's June 6 elections for local government and the European Parliament. Changes in the electoral system, new parties, and confusing polls all add to the uncertainty. The results in the municipal elections, especially in Riga, could force a change in the national coalition down the road. There is also a decent chance that the next mayor of Riga could be an ethnic Russian, which would be a first for a candidate running with a party that is viewed as Russian focused. European parliament elections are largely an afterthought here, with the ethnic Russian parties likely to do well. In both cases, personalities rather than policies will be determinative. Many Latvians believe that their votes cannot change anything, a worrying sign in a country so recently restored to democracy. End summary.
- 12. (U) Latvians will vote June 6 for both municipal governments and for Latvia's 8 members of the European Parliament. The local elections will be the first conducted under the territorial reforms implemented last year - instead of over 500 municipal councils, there will be just under 120. Also for the first time, parties must receive at least five percent of the vote in a given municipality to win any seats (the same as in parliamentary elections). Two new parties that did not exist in the 2006 national elections - Civic Union and Society for Different Politics - will also be competing, making it likely that fewer parties can cross the threshold. Polls show that Latvians are largely apathetic about the parties, with as many as half of voters not having made up their minds. A sinking economy, massive cuts in spending, and abysmal approval for political institutions has not translated into high voter activity. Turnout estimates range from 45 and 60 percent, but we think it is likely to be on the lower side.
- 13. (C/NF) The real battle in this election is for Riga, where more than a third of voters live. In many municipalities, the election will be won by persons of local prominence, regardless of their party affiliation. In Riga, though, we will see the best measure of the relative strength of the parties. Most are running big names in the capital, but there is a strong divergence between polls that measure which person voters want to see as mayor of Riga and which party they would like to see in power in the city. There is a real possibility that the People's Party, which controls the largest number of seats in the parliament, will fail to clear the five percent hurdle in Riga. Although it will likely do well in rural communities, failure to be in the Riga council would be a huge blow to the party's prestige.
- 14. (C/NF) Three parties seemed assured of places in the Riga council Harmony Center (mayoral candidate: MP Nils

Usakovs), First Party/Latvia's Way (former transport minister Ainars Slesers) and New Era (Latvian Basketball League general secretary Edgars Juanups). The remaining parties will fight to get over the threshold. The conventional wisdom on the street is that Slesers will be the next mayor, but we think it is too soon to tell. His controversial past (including serious corruption allegations) and his hard-charging, take-no-prisoners style make it politically and personally difficult for other parties to work with him and they will explore all other options before agreeing to him as mayor. As much as ethnicity remains a fault line in Latvia, we think Usakovs has a real chance at the job both due to the ethnic make up of Riga and because the Latvian parties may feel that he can't succeed in the current economic crisis, so why not let him try and hopefully fail? Other candidates will depend on which parties get in. Juanups stands almost no chance, given that new Era holds the job of PM already.

15. (C/NF) Usakovs or Slesers as mayor could have implications for the national government, because it is very rare for the mayor of Riga to be from a party not currently in the national coalition. Slesers as mayor would be easier to manage in this regard and former PM Godmanis, Slesers' co-chair of the party, already said they are willing to join the national coalition (reftel). Usakovs, as the representative of a party that appeals primarily to ethnic Russians, would be more complicated to manage since no Russian party has ever been in the national coalition. In any case, we think any potential changes in the national coalition would likely occur after the summer break, when parties fully assess the impact of the elections and the economic situation in the country.

 $\P6$. (U) Latvians are largely apathetic about elections for the RIGA 00000308 002 OF 002

European Parliament. The EU's advertising to promote participation in this contest focuses on issues like border security, food safety and GMO's, issues with little or no resonance for Latvian voters. Party campaigns have either focused on getting more money from Europe or on ethnic issues (septel). The two Russian parties, PCTVL and Harmony Center, have Tatjana Zdanoka and Alfreds Rubiks respectively at the top of their lists. Both were active opponents of the restoration of independence of Latvia (with Rubiks a vocal supporter of the August 1991 putsch in Moscow) and both are barred from running for national office in Latvia. Because of their past, both are anathema to ethnic Latvians, who view them as vying to be "Russia's representatives" in Moscow. But the solidarity of ethnic Russian voters and the diffusion of Latvian parties means that both will almost certainly be elected, and their parties could control as many as 4 of Latvia's 8 seats. Former FM Sandra Kalniete, former PM Ivars Godmanis, and former economy minister (and AmCit) Krisjanis Karins are all likely to win election to the EP as well. Although Irish-based Libertas has fielded a slate headed by former PM Guntars Krasts, they have gotten little traction due to a lack of funds and a very late start.

17. (C/NF) Comment: It is surprising that the depths of Latvia's economic crisis and repeated calls of "throw-the-bums-out" from the public do not appear to have resulted in higher interest in these elections or a surge for the opposition. Indeed, the fact that Slesers is a leading candidate for mayor of Riga baffles many elite who can't understand why the public is focusing on his message of job creation and dynamism instead of any number of corruption and patronage allegations. The level of disconnect Latvians feel from their political system, the lack of confidence that anything will change, and their willingness to turn a blind eye to corruption if it might create short term economic benefit are all worrying signs about the level of entrenchment of democracy 18 years after the restoration of independence.

ROGERS